

FILED

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(Baltimore Division)

FEB 19 2001

CLERK'S OFFICE
U. S. BANKRUPTCY COURT
DISTRICT OF MARYLAND
BALTIMORE

In re:

FRANK'S NURSERY & CRAFTS, INC., et
al.,

Debtors.

Case No. 01-52415-JS THROUGH 01-52416-JS
(Chapter 11)
(Jointly Administered)

* * * * *

**DEBTORS' MOTION FOR ADMINISTRATIVE ORDER
TO LIMIT NUMBER OF RECIPIENTS OF FUTURE NOTICES**

Frank's Nursery & Crafts, Inc. ("Frank's") and FNC Holdings, Inc. ("FNC"), the above-captioned debtors and debtors in possession herein (collectively, the "Debtors"), by counsel, respectfully request the entry of an administrative order limiting the number of recipients of future notices, for cause, and state as follows:

Introductory Statement

1. By this Motion, the Debtors request the entry of an order establishing a limited list of parties who will receive future notices in these jointly administered cases.

Jurisdiction

2. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue lies properly in this Court pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. §157.

3. The relief sought by this Motion is based on Rule 2002 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and this Court's Local Bankruptcy Rule 2002-1(h).

15

The Chapter 11 Petitions

4. On the date hereof (the "Petition Date"), each of the Debtors filed with this Court voluntary petitions for relief with this Court under Chapter 11 of Title 11 of the United States code (the "Bankruptcy Code").

5. By motion submitted to the Court concurrently herewith, the Debtors seek entry of an order authorizing the procedural consolidation and joint administration of these cases.

The Debtors' Business

6. Frank's, founded in 1949, operates the largest United States chain (as measured by sales) of specialty retail stores devoted to the sales of lawn and garden products. Lawn and garden products include green and flowering plants for outdoor and indoor usage, live landscape products such as trees and shrubs, fertilizers, seeds, bulbs, gardening tools and accessories, planters, watering equipment, garden statuary and furniture, wild bird food and feeders, mulches and specialty soils. Frank's also is a leading retailer of Christmas Trim-A-Tree merchandise, artificial flowers and arrangements, garden and floral crafts, and home decorative products. FNC (formerly known as General Host Corporation) is the sole shareholder of Frank's.

7. As of February 9, 2001, Frank's operated 217 retail stores in 15 states, primarily in the Mid-Atlantic, Midwest and Northeast. At that time, an additional 44 stores were being closed as part of a previously announced plan to sell under-performing store locations. In its fiscal year ending January 28, 2001, Frank's had sales of approximately \$435 million. Currently, the Debtors employ approximately 1,900 full-time and 5,000 part-time employees. As of November 5, 2000, the Debtors had total assets of approximately \$471.9 million and total debt of approximately \$338 million.

8. The Debtors' sales are seasonal. The lawn and garden revenues are concentrated principally in the Spring and, to a lesser extent, in the Fall. The Trim-A-Tree sales occur between Thanksgiving and Christmas.

9. During most of the first half of 2000, weather patterns negatively impacted lawn and garden product sales across the Debtors' principal markets. During the third quarter of 2000, the Debtors decided to close 44 under-performing stores, liquidate their inventories, and sell the closed stores owned by the Debtors. Later in 2000 it became apparent that the Debtors' Trim-A-Tree holiday season sales were below expectations, which was consistent with the general softness in sales at retailers during this period.

10. In 2001, notwithstanding excess borrowing availability under their existing bank credit facilities, the Debtors were unable to draw down sufficient funding to meet the Debtors' working capital needs because the Prepetition Lenders asserted that various conditions to borrowing had not been met. (The Prepetition Lenders, however, did provide limited funding subject to various conditions.) Also, in the relatively short period since access to their credit facilities had been curtailed, the Debtors were unable to secure additional funding to meet those working capital needs. Ultimately, the Debtors determined the most appropriate method to obtain such financing and achieve their restructuring objectives was through chapter 11 filings.

Standard for Limiting Notice

11. The Court has the power to limit the number of persons required to be given notice for certain matters pursuant to Bankruptcy Rule 2002(m), which provides that, "[t]he court may from time to time enter orders designating the matters in respect to which, the entity to whom, and the form and manner in which notices shall be sent except as otherwise provided by these rules." Fed. R. Bankr. P. 2002(m).

Reasons for Limiting Notice in this Case

12. There will be thousands, if not tens of thousands, of creditors in these cases.

13. Pursuant to Bankruptcy Rule 2002, the Debtors' creditors and parties in interest were or will be sent notice of the chapter 11 filings and the meeting of creditors in accordance with 11 U.S.C. § 341.

14. In order to reduce the Debtors' administrative costs, the Debtors propose a "Limited Notice List," which shall include the following:

- a. the United States Trustee for the District of Maryland, Baltimore Division;
- b. the Securities and Exchange Commission;
- c. counsel for any official committee(s) appointed in these cases;
- d. The Debtors' thirty (30) largest unsecured creditors, on a consolidated basis, or their respective counsel; provided, however, that once an official committee of unsecured creditors or other official committee is appointed in these cases, notice hereunder will be limited to (i) one representative of each member of such committee(s), or its respective counsel, and (ii) counsel to such committee(s);
- e. all secured creditors in these cases, or their counsel;
- f. the Internal Revenue Service; and
- g. all parties who have, by notice of entry of appearance, advised the Court and counsel for the Debtors that they desire to receive notices herein.

The proposed "Limited Notice List", which is attached hereto as **Exhibit A**, complies with the above itemization based on information presently available, and will be updated from time to time.

15. The Debtors propose to serve all motions, notices and other requests for relief only on the persons on the then current Limited Notice List, except (i) matters specified in Federal Rules of Bankruptcy Procedure 2002 (a)(1), 2002 (a)(4), 2002(a)(7), 2002 (b), and 2002

(d); (ii) matters in which the applicable rules or orders of this Court permit service on fewer parties than those included on the "Limited Notice List"; and (iii) for matters directly affecting a party in interest, that party will be served as well.

16. For all matters except those listed in sub-paragraphs (i) and (ii) of the foregoing paragraph, service to those persons listed on the then current Limited Notice List, should be deemed sufficient notice in these cases.

17. The Debtors believe the proposed Limited Notice List is fair and reasonable under the circumstances and in the best interest of the Debtors' estates and their creditors.

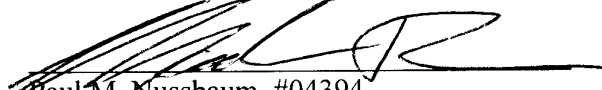
Conclusion

WHEREFORE, the Debtors respectfully request the entry of an Order, pursuant to Bankruptcy Rule 2002(m): (i) approving the content of and procedures relating to the "Limited Notice List," as requested herein; and (ii) granting such other and further relief as the Court may deem necessary and appropriate.

WILLKIE FARR & GALLAGHER
Alan J. Lipkin, Esquire
Steven Wilamowsky, Esquire
Carolynn Pedreira, Esquire
787 Seventh Avenue
New York, New York 10019-6099
(212) 728-8000

-and-

WHITEFORD, TAYLOR & PRESTON L.L.P.



Paul M. Nussbaum, #04394
Martin T. Fletcher, #07608
Seven Saint Paul Street, Suite 1400
Baltimore, Maryland 21202
(410) 347-8700
Co-Counsel for the Debtors,
Frank's Nursery & Crafts, Inc., et al.

CERTIFICATE OF SERVICE

I certify that on this 19th day of February, 2001, a copy of the foregoing pleading was sent by the means indicated and to the parties identified on the Omnibus Certificate of Service filed concurrently with this pleading. In order to expedite the copying and transmittal of pleadings to parties in interest, a copy of the Omnibus Certificate of Service was not transmitted with the pleading. Any party desiring a copy of the Omnibus Certificate of Service may contact the undersigned or may review the original at the Clerk's Office.

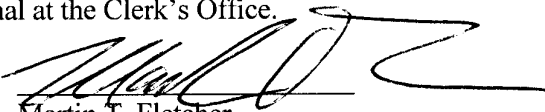

Martin T. Fletcher

Exhibit A

Limited Notice List

1-Boto Company Ltd
17/F Eight Commercial Tower
8 Sun VIP St.
Chaiwan Hong Kong
Attn: Michael Kao
(8) 522-897-0141

Burpee Garden Products Co.
300 Park Avenue
Warminster, PA 18974
Attn: Fred Hobson

Gary Products Group Inc.
2601 S.E. Loop 289
Lubbock, TX 79404
Attn: Sylvia Rena

American Oak Preserving Co. Inc.
601 Mulberry St.
North Judson, IN 46366
Attn: Mary

K. Van Bourgondien & Sons, Inc.
P.O. Box A, Route 109
Babylon, NY 11702
Attn: Linda Williams

NK Lawn & Garden Co.
P.O. Box 24028
Chattanooga, TN 37422-4028
Attn: Stacy Deabler

Cluett Corp.
P.O. Box 6666
Tyler, TX 75711
Attn: Phil Matthews

Kirk Company
201 St. Helens Ave.
Tacoma, WA 98402-2519
Attn: Tom Thomas

Variety Accessories, Inc.
P.O. Box 4528
Great Neck, NY 11027
Attn: Mike

Great Lakes Craft & Hobby Dist.
46660 Van Dyke
Shelby Township, MI 48317
Attn: Tom or Steve

Angel Plants, Inc.
560 Deer Park Avenue
Dix Hills, NY 11746
Attn: Jack

Nolan & Cunnings
P.O. Box 2111
Warren, MI 48090-2111
Attn: John

Happy Holiday Xmas Trees/Color Spot
3819 E. Sidney Rd.
Sheridan, MI 48884
Attn.: Jeannie

Polytree
25/F CCT Telecom Bldg.
11 Wo Shing Street
Fo Tan Shatin, N.T.
Fax #852 (2) 697-8711

Wilson WreathCo. Ltd & KeyBank NA
480 Main Street
Presque Isle, ME 04769
Attn: Marleta

Teufel Holly Farms
160 S.W. Miller Rd
Portland, OR 97225
Attn: John Coulter

Artfaire/CPS Corporation
1715 Columbia Hwy P.O. Box 68-1000
Franklin, TN 37068
Attn: Sarah

Davie Boag
H.K. Int'l Trade & Exhibit Ctr.
1 Trademart Drive, Wang Ching St. Rm No.
1001-1011, 10th Floor
Kowloon, Hong Kong
Fax -9-011-8522-764-5918

I-Raymond Steve & Bros. Development
St. 611 Tower A Hunghom
39 Matauwei Rd.
HungHom, Kowloon
Attn: Steve Tsui
Fax: 852 (2) 774-6188

Hermann Engelmann Grnhse. Inc.
2009 Marden Rd.
Apopka, FL 32704
Attn: Sandra Kitain

Lake Valley Seed
5717 Arapahoe
Boulder, CO 80303-1338

Fiskars Group
636 Science Drive
Madison, Wisconsin 53711

C.M. Offray & Son, Inc.
858 Willow Circle
Hagerstown, MD 21740
Attn: Jenny

Valfei Products
P.O. Box 185
Norton, VT 05907
Attn: Sylvai Vaillancourt

Graphic Communications
P.O. Box 54120
Los Angeles, CA 90054-0120
Attn: Brian Brazell

Wilson Enterprises
P.O. Box 4, U.S. Hwy 2 & 41
Wilson, MI 49896
Attn: Kathy Wilson

I.C.Y. Hung Co. Ltd.
11 F/Telford House 16 Wang Hoi Road
Kowloon Bay, Kowloon
Attn: Tony Hong
Fax 852 (2) 721-9951

Easy Gardener
1750 17th Street
Paris, KY 40361-1160

Easy Gardener, Inc.
P.O. Box 21025
Waco, Texas 76702-1025

The Washington Post
P.O. Box A200
Washington, D.C. 20071
Attn: Royston DeSouza

Karen H. Moore, Esquire
Office of the U.S. Trustee
300 West Pratt Street, Suite 350
Baltimore, MD 21201

People's Bank
850 Main Street
Bridgeport, CT 06604-4913

IBM Credit
1 North Castle Drive
Armonk, NY 10504-2575

Hilco Merchant Resources, LLC
5 Revere Drive, Suite 206
Northbrook, IL 60062
Attn: Cory Lipoff

Latham & Walkins
Counsel for Hilco
5800 Sears Tower
Chicago, IL 60137
Attn: Josef S. Athanas

KC Funding Corp.
210 West Tenth Street, Sixth Floor
Kansas City, MO 64105

Midland Commercial Financing Corp.
210 West Tenth Street, Sixth Floor
Kansas City, MO 64105

LaSalle National Bank
135 S. LaSalle Street
Chicago, IL 60603

LMA Capital Group, LLC
2000 Powell Street, Suite 1203
Emeryville, CA 94608

CIT Group/Equipment Financing, Inc.
900 Ashwood Parkway
Atlanta, GA 30338

G/S Leasing, Inc.
3290 W. Big Beaver Rd, Ste 200
Troy, MI 48084

First Union National Bank of North Carolina
Tower 8, One First Union Center
Charlotte, NC 28288

State Street Bank and Trust Company
225 Franklin Street
Boston, MA 02101

Forsythe/McArthur Associates, Inc.
7500 Frontage Road
Skokie, IL 60077

Newcourt Technologies Corporation, f/k/a
AT&T Systems Leasing Corporation
2285 Franklin Road, 2nd Floor
Bloomfield Hills, MI 48302

Siemens Credit Corporation
991 U.S. Highway Route 22 West, Suite 300
Bridgewater, NJ

Atlas Auto Leasing Inc.
39935 Grand River
Novi, MI 48375

Steelcase Financial
Administrative Center
475 Sansome Street, 19th Fl.
San Francisco, CA 94111

Greg A. Nickell
c/o Morrison & Hecker., L.L.P.
2600 Grand Avenue
Kansas City, MO 64108

Tompkins
1040 W. Grand Blvd.
Detroit, MI 48208

National Realty
911 Main Street
Kansas City, MO 64105

Resource Leasing
397 Herndon Parkway, Suite 5
Herndon, VA 20170
8221 Old Courthouse Road, Suite 104
Vienna, VA 22182

Sanwa Leasing Corp.
P.O. Box 7023
Troy, MI 48007-7023

Internal Revenue Service
Special Procedures Branch
31 Hopkins Plaza, Room 1140
Baltimore, MD 21201

Securities and Exchange Commission
450 Fifth Street NW
Washington, DC 20549

Comptroller of the Treasury
Income Tax Div. – Legal Unit
Income Tax Building
110 Carroll Street
Annapolis, Maryland 21411

Comptroller of the Treasury
Sales & Use Tax Div. – Claims
301 West Preston Street
Baltimore, Maryland 21201

MD Unemployment Insurance Admin.
1100 N. Eutaw Street, # 401
Baltimore, Maryland 21202

U.S. Attorney
U.S. Courthouse
101 W. Lombard Street
Baltimore, Maryland 21201

Peter M. Palladino
Douglas R. Gooding
John F. Ventola
Choate, Hall & Stewart
Exchange Place
53 State Street
Boston, MA 02109

Nancy V. Alquist
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street
Baltimore, Maryland 21202-3268

Andrew DeNatale
Evan C. Hollander
White & Case, LLP
1155 Avenue of the Americas
New York, NY 10036

Gregory A. Cross
Venable, Bactjer & Howard L.L.P.
2 Hopkins Plaza, Suite 1800
Baltimore, MD 21201

Alan J. Lipkin
Carollynn Pedreira
Willkie Farr & Gallagher
787 Seventh Avenue
New York, NY 10019-6099

Martin T. Fletcher
Whiteford, Taylor & Preston, LLP
7 St. Paul Street
Baltimore, Maryland 21202